

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2018

	Unaudited As at 31.05.2018 RM'000	Audited As at 31.05.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,943	12,961
Intangible assets	877	877
	<u>13,820</u>	<u>13,838</u>
Current assets		
Inventories	1,511	1,337
Trade receivables	4,575	6,108
Other receivables, deposits and prepayments	357	168
Tax recoverable	432	24
Fixed deposits with licensed bank	18,946	16,064
Cash and bank balances	8,968	9,479
	<u>34,789</u>	<u>33,180</u>
TOTAL ASSETS	<u>48,609</u>	<u>47,018</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	9,800	9,800
Share premium	707	707
Other reserve	(2,600)	(2,600)
Translation reserve	139	192
Treasury shares	(1)	(1)
Retained earnings	38,823	36,943
	<u>46,868</u>	<u>45,041</u>
Total equity	<u>46,868</u>	<u>45,041</u>
Non-current liabilities		
Deferred tax liabilities	384	599
	<u>384</u>	<u>599</u>
Current liabilities		
Trade payables	419	251
Other payables and accruals	936	889
Tax payable	2	238
	<u>1,357</u>	<u>1,378</u>
Total liabilities	<u>1,741</u>	<u>1,977</u>
TOTAL EQUITY AND LIABILITIES	<u>48,609</u>	<u>47,018</u>
Net assets per share (RM)	<u>0.48</u>	<u>0.46</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statements.

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MAY 2018**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31.05.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.05.2017 RM'000	CURRENT YEAR- TO-DATE 31.05.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.05.2017 RM'000
Revenue	3,622	3,796	14,624	18,481
Cost of sales	(1,317)	(1,718)	(5,302)	(6,660)
Gross Profit	2,305	2,078	9,322	11,821
Other income	566	391	3,197	3,359
Selling & distribution costs	(57)	(113)	(316)	(400)
Administrative expenses	(1,388)	(3,184)	(8,486)	(8,830)
(Loss)/Profit Before Taxation	1,426	(828)	3,717	5,950
Income tax expense	(381)	(18)	(758)	(1,630)
(Loss)/Profit After Taxation	1,045	(846)	2,959	4,320
Other Comprehensive Income	-	-	-	-
Foreign currency translation	(11)	(55)	(53)	126
Total Comprehensive (Loss)/Income For The Period	1,034	(901)	2,906	4,446
(Loss)/Profit Attributable to: Equity holders of the parent	1,045	(846)	2,959	4,320
Minority interest	-	-	-	-
	1,045	(846)	2,959	4,320
Total Comprehensive (Loss)/Income Attributable To : Equity holders of the parent	1,034	(901)	2,906	4,446
Minority interest	-	-	-	-
	1,034	(901)	2,906	4,446
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	1.07	(0.86)	3.02	4.41
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statement.

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 MAY 2018**

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000
<u>12 months period ended 31 May 2018</u>							
As at 1 June 2017	9,800	707	(1)	(2,600)	192	36,943	45,041
Total comprehensive income for the period	-	-	-	-	(53)		(53)
Dividends paid	-	-	-	-	-	(1,079)	(1,079)
As at 31 May 2018	9,800	707	(1)	(2,600)	139	35,864	43,909
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000
<u>12 months period ended 31 May 2017</u>							
As at 1 June 2016	9,800	707	-	(2,600)	66	33,848	41,821
Total comprehensive income for the period	-	-	-	-	126	4,320	4,446
Dividend paid	-	-	-	-	-	(1,225)	(1,225)
Shares repurchased	-	-	(1)	-	-	-	(1)
As at 31 May 2017	9,800	707	(1)	(2,600)	192	36,943	45,041

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statements.

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 MAY 2018
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 31.05.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.05.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	3,717	5,950
Adjustments for:		
Amortisation of development expenditure	-	98
Depreciation of property, plant and equipment	390	443
Impairment of property, plant and equipment	-	22
Impairment losses on receivables	34	1,442
Inventories written down	119	146
Inventories written off	16	-
Research and development expenditure written off	30	16
Unrealised foreign exchange loss/(gain)	413	(281)
Reversal of impairment loss on trade receivables	(1,255)	-
Interest income	(670)	(442)
Operating profit before changes in working capital	<u>2,794</u>	<u>7,394</u>
Changes in working capital:		
(Increase)/decrease in inventories	(340)	(381)
(Increase)/decrease in receivables	2,141	872
Increase/(decrease) in payables	246	(544)
Cash generated from operations	<u>4,841</u>	<u>7,341</u>
Tax refund	27	57
Taxation paid	(1,647)	(1,799)
Net cash from operating activities	<u>3,221</u>	<u>5,599</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits with licensed banks with original maturity of more than three months	(534)	(713)
Purchase of property, plant and equipments	(403)	(7,627)
Interest received	670	442
Net cash from/(used in) investing activities	<u>(267)</u>	<u>(7,898)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares repurchased		(1)
Dividends paid	(1,079)	(1,225)
Net cash from/(used in) financing activities	<u>(1,079)</u>	<u>(1,226)</u>
Net Change in Cash & Cash Equivalents	1,875	(3,525)
Effect of exchange rate changes	(38)	96
Cash and Cash Equivalents at beginning of period	24,830	28,259
Cash and Cash Equivalents at end of period	<u>26,667</u>	<u>24,830</u>
Cash and cash equivalents at the end of the financial period comprise the following:	31.05.2018 RM'000	31.05.2017 RM'000
Fixed deposits with licensed bank	18,946	16,064
Cash and bank balances	8,968	9,479
	<u>27,914</u>	<u>25,543</u>
Less: Deposits with licensed bank (more than 3 months)	(1,247)	(713)
	<u>26,667</u>	<u>24,830</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statements.

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018**

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1. Corporate Information

Fibon Berhad is a public limited liability company incorporated and domiciled in Malaysia and is listed on Bursa Malaysia Securities Berhad.

2. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 May 2017. These explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2017.

3. Summary of significant accounting policies

The significant accounting policies adopted are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 May 2017.

3.1 Changes in accounting policies and effects arising from adoption of new MFRSs, amendments to MFRSs and IC Interpretations

At beginning of current financial period, the Group has adopted the following new MFRSs, amendments to MFRSs and IC Interpretations:

Effective for financial periods beginning on or after 1 January 2017

- Amendments to MFRS 12: Annual Improvements to MFRS Standards 2014 – 2016 Cycle.
- Amendments to MFRS 107: Disclosure Initiative.
- Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses.

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

3.2 Standards and Interpretations issued but not yet effective

The following new and amended MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018

FIBON BERHAD (Company No. 811010-H)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018****3. Summary of significant accounting policies (continued)****3.2 Standards and Interpretations issued but not yet effective (continued)**

Title	Effective Date
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

4. Audit Report

The auditors' report of the annual financial statements for the financial year ended 31 May 2017 did not contain any qualification.

5. Seasonal or Cyclical Factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

6. Items of Unusual Nature or Amount

There were no items affecting the assets, liabilities, equity, net income or cash flow during the current financial quarter under review that are unusual by reason of their size, nature or incidence.

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018**

7. Changes in Estimates

There were no changes to the estimates of amounts reported in prior financial years that may have a material effect in the current financial quarter.

8. Debts and Equity Securities

There were no issuance, or repayment of debts and equity securities for the current financial period ended 31 May 2018.

9. Acquisition and Disposal of Property, Plant and Equipment

Below are the property, plant and equipment acquired by the Group during the period under review:

	Cost RM'000
Plant and machinery	10
Motor vehicle	295
Furniture, fittings and office equipment	40
Buildings	58
	<hr/>
	403

10. Inventories

During the 12 months ended 31 May 2018, there was RM119,000 write-down of inventories.

11. Fair Value Hierarchy

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

12. Provisions for Cost of Restructuring

There was no provision for, or reversal of, costs of restructuring during the reporting period.

13. Dividends paid

A single tier final dividend of 1.10 sen per ordinary share amounting to RM1,078,582 in respect of the financial year ended 31 May 2017 has been approved by shareholders at the Annual General Meeting held on 27 October 2017 and has been paid on 19 December 2017.

FIBON BERHAD (Company No. 811010-H)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018****14. Segmental Information**

The segment information in respect of the Group's operating segments are as follows:

- i) Investment holding
- ii) Sales of goods – manufacturing & trading of electrical insulators, electrical enclosures & metre boards.
- iii) Financing income – engaging in financial business of leasing, factoring, development finance & building credit activities.

	Investment holding (RM'000)	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Period ended 31.05.2018					
Revenue:					
External customers	-	14,378	246	-	14,624
Results :					
Interest income	20	619	31	-	670
Depreciation and amortisation	-	(389)	(1)	-	(390)
Segment profit/(loss)	(1,007)	3,458	1,266	-	3,717
Assets:					
Capital expenditure	-	403	-	-	403
Segment assets	15,781	46,565	2,304	(16,043)	48,607
Segment Liabilities	85	2,226	61	(632)	1,740
Period ended 31.05.2017					
Revenue:					
External customers	-	17,997	484	-	18,481
Results :					
Interest income	58	375	9	-	442
Depreciation and amortisation	-	(541)	-	-	(541)
Segment profit/(loss)	(791)	7,658	(917)	-	5,950
Assets:					
Capital expenditure	-	8,430	-	-	8,430
Segment assets	15,221	46,307	1,731	(16,241)	47,018
Segment Liabilities	61	3,116	699	(1,899)	1,977

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018****15. Material Events Subsequent to the end of the Reporting Period**

There were no material events subsequent to the end of the current financial quarter under review that has not been reflected.

16. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

17. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in the contingent liabilities and contingent assets since the end of the last annual balance sheet date.

B. Additional information required by BMSB Listing Requirements**1. Review of Performance**

	Individual Period (4 TH Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	31/05/2018	31/05/2017		31/05/2018	31/05/2017	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,622	3,796	(5)	14,624	18,481	(21)
Operating profit	2,305	2,078	11	9,322	11,821	(21)
Profit/(loss) before tax	1,426	(828)	272	3,717	5,950	(38)
Profit/(loss) after tax	1,045	(846)	224	2,959	4,320	(32)

In the current quarter ended 31 May 2018, the Group registered lower revenue of RM3,622,000 compared to previous corresponding quarter ended 31 May 2017 of RM3,796,000 as a result of slight decrease in trading sales. Profit before tax has improved from a loss of RM828,000 to a profit of RM1,426,000 as a result of improving operating margin and decrease in administrative expenses.

2. Comparison With the Preceding Quarter's Results

	Current Quarter 31/05/2018 (RM'000)	Immediate Preceding Quarter 28/02/2018 (RM'000)	Changes (%)
Revenue	3,622	3,240	12
Operating profit	2,305	1,945	19
Profit before tax	1,426	(482)	396
Profit after tax	1,045	(362)	389

The Group posted a higher revenue in the current quarter of RM3,622,000 as compared to the preceding quarter ended 28 Feb 2018 of RM3,240,000 representing an increase of RM382,000. Profit before tax has improved from a loss of RM482,000 to a profit of RM1,426,000 mainly due to higher operating margin, lower loss of foreign exchange and decrease in administrative expenses.

3. Commentary on the Prospects

Despite facing various general economic challenges, the Board of Directors of Fibon Berhad is of the opinion that the performance of the Group for the financial year ending 31 May 2019 will not be severely affected.

FIBON BERHAD (Company No. 811010-H)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018****4. Profit Forecast and Profit Estimate**

The Group did not issue any profit forecast or profit estimate previously or for the financial year ended 31 May 2017 in any public document and hence this information is not applicable.

5. Profit Before Tax

Profit before tax is arrived at after charging:-

	<u>Current quarter</u> 31/05/2018 RM'000	<u>Preceding year corresponding quarter</u> 31/05/2017 RM'000	<u>Current year to date</u> 31/05/2018 RM'000	<u>Preceding year corresponding period</u> 31/05/2017 RM'000
Audit fee				
- for the financial period	26	29	93	88
Amortisation of development expenditure	-	24	-	98
Depreciation of property, plant and equipment	102	130	390	443
Directors' fees	83	75	332	292
Directors' non-fee emoluments	1,182	761	4,046	3,625
Impairment of property, plant and equipment	-	22	-	22
Impairment of development expenditure	-	16	-	16
Impairment losses on receivables	-	1,442	-	1,442
Inventories written down	119	146	119	146
Inventories written off	17	-	17	-
Loss on foreign exchange – unrealised	26	(89)	437	-
- realised	87	-	560	-
Property, plant and equipment written off	20	-	20	*
Rental of premises	16	(8)	87	81
Research and development expenditure	237	(581)	133	136
and crediting:-				
Gain on foreign exchange - unrealised	4	221	(24)	(281)
- realised	(64)	(140)	(853)	(2,377)
Reversal of impairment loss on receivables	(39)	-	(1,255)	-
Interest income	(234)	(143)	(670)	(442)

* Less than RM1,000.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018****6. Taxation**

	<u>Current quarter</u>	<u>Preceding year corresponding quarter</u>	<u>Current year to date</u>	<u>Preceding year corresponding period</u>
	<u>31/05/2018</u>	<u>31/05/2017</u>	<u>31/05/2018</u>	<u>31/05/2017</u>
	RM'000	RM'000	RM'000	RM'000
Income taxation in Malaysia				
- Current year	615	105	975	1,673
- Under/(Over) provision in previous year	(23)	31	(40)	(80)
Foreign tax				
- Current year	6	12	39	91
- Under/(Over) provision in previous year	-	-	-	-
Deferred taxation				
- Current year	(219)	(184)	(216)	(48)
- (Over)/under provision in previous year	2	54	-	(6)
	<u>381</u>	<u>18</u>	<u>758</u>	<u>1,630</u>

The effective tax rate of the Group in current quarter higher than the statutory tax rate mainly due to certain expenses which are not tax deductible.

7. Group borrowings

As at 31 May 2018, the Group has no borrowings.

8. Material Litigation

As at the date of this quarterly report, there are no material litigations against the Group or taken by the Group.

9. Dividend

No dividend has been declared for the quarter under review.

10. Disclosure of Nature of Outstanding Derivatives

There were no outstanding derivatives as at the end of the reporting period.

11. Rationale for Entering into Derivatives

The Group did not enter into any derivatives during the period ended 31 May 2018 or the previous financial year ended 31 May 2017.

12. Risks and Policies of Derivatives

The Group did not enter into any derivatives during the period ended 31 May 2018 or the previous financial year ended 31 May 2017.

13. Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 May 2018 or the previous financial year ended 31 May 2017.

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2018****14. Earnings per Share ("EPS")****(i) Basic EPS**

The basic EPS is calculated by dividing the net profit for the current financial quarter ended 31 May 2018 by the weighted average number of ordinary shares in issue during the period.

(ii) Dilutive EPS

There are no dilutive securities currently issued by Fibon Berhad and hence, no computation on diluted EPS.

	Current Quarter	12 Months Cumulative To Date
Net (loss)/profit (RM'000)	1,045	2,959
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	1.07	3.02
Diluted earnings per share (sen)	-	-

15. Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 24 July 2018.